

Message Text

PAGE 01 CARACA 10473 01 OF 03 271623Z
ACTION SS-15

INFO OCT-01 ARA-10 ISO-00 SSO-00 NSCE-00 PRS-01 A-01
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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 9738

LIMITED OFFICIAL USE SECTION 1 OF 3 CARACAS 10473

E.O. 11652: NA

TAGS: OVIP (CARTER, JIMMY)

SUBJECT: SUGGESTED QUESTIONS AND ANSWERS FOR PRESIDENTIAL
VISIT TO VENEZUELA

1. Q. THE UNITED STATES AND CUBA HAVE NOW ESTABLISHED INTEREST
SECTIONS IN EACH OTHER'S CAPITALS. WHAT IS YOUR ASSESSMENT OF THE
POSSIBILITY OF FULL NORMALIZATION OF RELATIONS IN THE NEAR TERM?

A. (TO BE FURNISHED BY DEPARTMENT)

2. Q. ORLUDDO BOSCH, A KNOWN ANTI-CASTRO TERRORIST, WILL BE TRIED BY
VENEZUELA FOR HIS COMPLICITY IN THE 1976 BOMBING OF A CUBANA AIRLINER
IN WHICH 73 PEOPLE DIED. BOSCH IS ALSO SUSPECTED OF KNOWING SOMETHING
ABOUT THE ASSASSINATION OF FORMER CHILEAN FOREIGN MINISTER LETELIER
IN WASHINGTON LAST YEAR. CAN YOU TELL US WHAT INFORMATION THE USG
HAS IN REGARD TO BOSCH'S ACTIVITIES?

A. IT IS THE RESPONSIBILITY OF THE VENEZUELAN COURTS TO TRY
MR. BOSCH AND THE OTHER DEFENDENTS AND TO ESTABLISH THEIR GUILT
OR INNOCENCE. IN REGARD TO YOUR SECOND QUESTION, THE DEPARTMENT OF
JUSTICE IS INVESTIGATING THE LETELIER ASSASSINATION, AND HOPES TO
BRING INDICTMENTS WHEN THE INVESTIGATION HAS BEEN COMPLETED. UNTIL
THAT INVESTIGATION IS COMPLETED IT WOULD NOT BE APPROPRIATE TO
COMMENT.

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PAGE 02 CARACA 10473 01 OF 03 271623Z

3. Q. A FOLLOW-UP ON THAT, SIR. CUBAN EXILE GROUPS HERE IN CARACAS
HAVE PUBLICLY STATED THAT THEY CONSIDER ANY PERSONS FURNISHING
INFORMATION TO THE VENEZUELAN OR UNITED STATES GOVERNMENTS ABOUT
CUBAN EXILE ACTIVITIES TO BE TRAITORS TO THE CAUSE OF CUBAN
FREEDOM. THUS, FIRST, I WOULD LIKE YOUR VIEWS ON WHETHER THE UNITED
STATES HAS BEEN COOPERATING WITH THE VENEZUELAN IN FURNISHING SUCH
INFORMATION, AND SECOND, WHETHER YOU BELIEVE THAT YOUR ADMINISTRATION'S
POLICY IS A BETRAYAL OF THE TRUST THE EXILES HAVE LONG HELD
IN THE RIGHTEOUSNESS OF THEIR CAUSE.

A. THE UNITED STATES GOVERNMENT HAS MADE IT VERY CLEAR THAT WE ABHOR TERRORISM, NO MATTER WHAT ITS ALLEGED JUSTIFICATION. WE SUPPORTED AN ANTI-TERRORISM RESOLUTION AT THE OAS GRENADA MEETING, AND WE ARE WORKING WITH OTHER INTERESTED GOVERNMENTS TOWARD STRENGTHENING ANTI-TERRORISM MEASURES, WITHIN THE UNITED NATIONS CONTEXT. I PREFER NOT TO DISCUSS SPECIFIC CASES, HOWEVER. WITH RESPECT TO YOUR SECOND QUESTION, WE GAVE A LOT OF CAREFUL STUDY TO OUR CUBAN POLICY. AFTER WEIGHING ALL THE ISSUES INVOLVED WE REACHED A DECISION WHICH, IN OUR VIEW, IS IN THE BEST INTEREST OF THE UNITED STATES.

4. Q. MR. PRESIDENT, IN MAY LAST YEAR, THE NEW YORK TIMES PUBLISHED A STORY ALLEGING THAT PRESIDENT PEREZ HAD RECEIVED PAYMENTS FROM THE CIA WHILE HE WAS VENEZUELAN MINISTER OF INTERIOR. YOU WROTE PRESIDENT PEREZ EXPRESSING YOUR REGRET, CALLING THE ASSERTIONS GROUNDLESS, AND MALICIOUS. HOWEVER, DURING THE EARLY 1960S, THERE WAS HERE IN VENEZUELAN A VIRTUAL CIVIL WAR, WITH OPEN GUERRILLA WARFARE. GIVEN THE COLD-WAR ATMOSPHERE OF THAT TIME, AND THE VERY REAL THREAT THAT CASTRO COMMUNISM THEN POSED TO THE FLEDING VENEZUELAN DEMOCRACY, CAN YOU CATEGORICALLY STATE THAT THE CIA WAS NOT INVOLVED IN ASSISTING THE BETANCOURT GOVERNMENT TO COMBAT THOSE TERRORISTS?

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PAGE 03 CARACA 10473 01 OF 03 271623Z

A. THE PRESS REPORTS CONCERNING ALLEGED PAYMENTS BY THE CENTRAL INTELLIGENCE AGENCY TO PRESIDENT PEREZ SHOCKED ME DEEPLY. AS YOU KNOW

,
I PERSONALLY EXPRESSED MY REGRET TO THE PRESIDENT ABOUT ANY EMBARRASSMENT THE STORIES CAUSED AND STATED WITHOUT HESITATION THAT THESE ASSERTIONS WERE MALICIOUS AND FALSE. I WANT TO REITERATE THAT THOSE STORIES ARE WITHOUT ANY FOUNDATION, AND TO NOTE AS I DID IN MY LETTER TO PRESIDENT PEREZ THAT THEY SHOULD NOT BE DIGNIFIED BY DIRECT COMMENT. CONCERNING YOUR SECOND QUESTION, IT IS THE POLICY OF THE UNITED STATES GOVERNMENT NOT TO COMMENT ON ALLEGED U.S. INTELLIGENCE ACTIVITIES, PAST OR PRESENT.

5. Q. MR. PRESIDENT, YOU HAVE STAKED MUCH ON THE SENATE RATIFICATIONS OF THE PANAMA CANAL TREATIES. YOU KNOW WELL THE DISAPPOINTMENT THAT A SENATE REJECTION OF THESE TREATIES WOULD BRING NOT ONLY TO THE PANAMANIAN PEOPLE, BUT TO ALL LATIN AMERICANS. CAN YOU GIVE US A CANDID ASSESSMENT OF THE CHANCES FOR RATIFICATION AT THIS DATE, AND WHAT YOUR GOVERNMENT WOULD BE PREPARED TO DO IN CASE THE SENATE FAILS TO RATIFY THEM?.

A. (TO BE SUPPLIED BY THE DEPARTMENT)

6. Q. MRS. CARTER AND AMBASSADOR YOUNG HAVE SPOKEN ELOQUENTLY OF THE NEEDS OF THE PEOPLES IN THE CARIBBEAN. IN PUERTO RICO LAST MONTH, IN FACT, MRS. CARTER TALKED ABOUT COORDINATING INTERNATIONAL DEVELOPMENT ASSISTANCE TO THAT REGION. WHAT DOES THE UNITED STATES GOVERNMENT EXPECT TO ACCOMPLISH IN TERMS OF JOINT

ASSISTANCE EFFORTS WITH VARIOUS NEIGHBORING COUNTRIES, INCLUDING VENEZUELA?

A. MY ADMINISTRATION BELIEVES THAT THE ECONOMIC AND SOCIAL WELL BEING OF THE PEOPLES OF THE CARIBBEAN MUST BE IMPROVED. AS A CLEAR INDICATION OUR INTEREST IN BRINGING A NEW SPIRIT OF EQUALITY, COOPERATION, AND PARTNERSHIP TO THESE ISLANDS AND AT THE SUGGESTION OF VARIOUS LEADERS IN THE CARIBBEAN, MY ADMINISTRATION HAS FOCUSED ITS ATTENTION ON THE AREA. WE ARE CONSULTING WITH POTENTIAL DONOR
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PAGE 04 CARACA 10473 01 OF 03 271623Z

AND RECIPIENT GOVERNMENTS ABOUT THE MECHANISMS TO BE USED. AND THERE IS EMERGING CONSENSUS ON THE FOLLOWING GOALS: ECONOMIC VIABILITY, REDUCTION OF INEFFICIENT OR DUPLICATIVE SERVICES AMONG SMALLER STATES , INCREASED COOPERATION BETWEEN THE ENGLISH-SPEAKING AND NON-ENGLISH SPEAKING STATES, AS WELL AS INCREASED COLLABORATION BETWEEN CARIBBEAN COUNTRIES AND THOSE THAT BORDER THE CARIBBEAN, AND OTHERS, AND STRENGTHENING OF THE CARIBBEAN DEVELOPMENT BANK. THIS IS A COOP-ERATIVE EFFORT. TOGETHER WE CAN HELP IN TRANSFORMING THE CARIBBEAN.

7. Q. MR. PRESIDENT. PRESIDENT PEREZ AND YOU HAVE DISCUSSED NON-PROLIFERATION, BOTH GLOBAL AND WITHIN LATIN AMERICA. DO YOU SEE ANY REALISTIC PROSPECT THAT THE TREATY FOR THE PROHIBITION OF NUCLEAR WEAPONS IN LATIN AMERICA (THE TREATY OF TLAHELCO) WILL COME INTO FORCE?

A. THE UNITED STATES PLACES GREAT IMPORTANCE IN THE TLAHELCO TREATY, WHICH ESTABLISHED THE ONLY NUCLEAR WEAPONS FREE ZONE IN ANY POPULATED AREA OF THE WORLD. SEVERAL POTENTIAL NUCLEAR POWERS ARE MEMBERS, INCLUDING VENEZUELA. FOR OUR PART, I HAVE SIGNED AND SENT TO

THE SENATE FOR RATIFICATION OUR ADHERENCE TO PROTOCOL I OF THE TREATY WHICH APPLIES TO NON-SELF GOVERNING UNITED STATES TERRITORIES IN THE CARIBBEAN. BRAZIL, CHILE, AND ARGENTINA, IN SOUTH AMERICA, HAVE NOT YET TAKEN ALL THE STEPS NECESSARY TO BRING IT INTO FORCE FOR THOSE COUNTRIES. WHILE SUCH DECISIONS ARE FOR EACH SOVEREIGN NATION TO DECIDE, I WOULD HOPE THAT ALL THE LATIN AMERICAN GOVERNMENTS, AND THOSE EXTRA-CONTINENTAL POWERS WHICH HAVE YET TO SIGN PROTOCOLS I AND II WILL SIGN AS WELL.

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PAGE 01 CARACA 10473 02 OF 03 271829Z
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TO SECSTATE WASHDC IMMEDIATE 9739

LIMITED OFFICIAL USE SECTION 2 OF 3 CARACAS 10473

8. Q. MR. PRESIDENT, DO YOU NOT FIND IT IRONIC THAT OF THE TWO COUNTRIES YOU ARE VISITING ON YOUR TRIP TO LATIN AMERICAN, ONE IS AN OPEN DEMOCRACY, AND THE OTHER A HARSH REPRESSIVE DICTATORSHIP. THUS,

I WOULD LIKE TO KNOW HOW YOU RECONCILE YOUR STAND ON HUMAN RIGHTS WITH YOUR VISIT TO BRASILIA, WHICH CAN ONLY INDICATE UNITED STATES SUPPORT FOR THE GENERALS INPOWER THERE?

A. BECAUSE OF ITS SIZE, POPULATION AND ECONOMIC ACTIVITY, BRAZIL HAS A ROLE TO PLAY IN HEMISPHERIC AND WORLD AFFAIRS. I AM GOING TO BRAZIL TO DISCUSS A NUMBER OF IMPORTANT GLOBAL ISSUES INCLUDING HUMAN RIGHTS AND NUCLEAR QUESTIONS. HUMAN RIGHTS IS A CENTRAL ELEMENT OF OUR FOREIGN POLICY BUT IT CANNOT BE PURSUED TO THE TOTAL EXCLUSION OF ALL OTHER INTERESTS.

9. Q. MR. PRESIDENT. PRESIDENT PEREZ HAS SPOKEN OFTEN OF THE NEED TO SETTLE OUTSTANDING PROBLEMS NOT ONLY BETWEEN THE NORTH AND THE SOUTH, BUT ALSO WITHIN LATIN AMERICA. IN PARTICULAR, PRESIDENT PEREZ HAS EXPRESS INTEREST IN BOLIVIA'S ACCESS TO THE SEA, VENEZUELAN'S

OWN BOUNDARY DISPUTES WITH COLOMBIA AND GUYANAN, AND SUPPORT OF INDEPENDENCE FOR THE NETHERLANDS ANTILLES AND FOR BELIZE. WHAT DOES THE UNITED STATES GOVERNMENT THINK OF THESE ISSUES, WHICH INVOLVE

FUNDAMENTAL RIGHTS TO SELF -DETERMINATION, BY THE PEOPLES CONCERNED?
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PAGE 02 CARACA 10473 02 OF 03 271829Z

A. THESE ARE IMPORTANT AND, IN SOME CASES, EMOTIONAL ISSUES. THEIR SOLUTION WILL REQUIRE STATESMANSHIP, COURAGE AND VISION. WE HOPE THAT THE EFFORTS TO RESOLVE THESE ISSUES PROSPER. AS FAR AS SELF-DETERMINATION IS CONCERNED, THIS IS A FUNDAMENTAL HUMAN RIGHT AND WE SUPPORT IT.

10. Q. MR. PRESIDENT, CAN YOU GIVE US YOUR ASSESSMENT OF THE CHANCES FOR THE SUCCESS OF THE GENEVA CONFERENCE ON THE MIDDLE EAST?

A. (ANSWER TO BE FURNISHED BY DEPARTMENT)

11. Q. MR. PRESIDENT, YOU HAVE IDENTIFIED VENEZUELA AS A LEADING DEMOCRACY IN LATIN AMERICA. HOWEVER, THERE ARE THOSE HERE IN VENEZUELA WHO SERIOUSLY QUESTION WHETHER THE VENEZUELAN GOVERNMENT GENUINELY PERMITS FULL FREEDOM OF EXPRESSION TO ITS CITIZENS, AND HUMANE TREATMENT OF ITS PRISONERS. FOR EXAMPLE, LAST YEAR THE SECRETARY GENERAL OF A LEFT-WING GROUP WAS BEATEN TO DEATH BY VENEZUELAN

POLICE. FURTHER, TWO DEPUTIES WHO ARE BEING TRIED IN MILITARY COURTS FOR INVOLVEMENT IN THE NIEHOUS KIDNAPPING HAVE BEEN IN JAIL FOR OVER ONE YEAR WITHOUT BEING BROUGHT TO TRIAL. IN ADDITION, THE VENEZUELAN GOVERNMENT HAS SEIZED VARIOUS LEFT-WING PUBLICATIONS, INTIMIDATED NEWSMEN AND HARASSED OTHER LEFT-WING POLITICIANS. HOW DOES THE UNITED STATES GOVERNMENT SQUARE ITS ASSERTIONS ABOUT DEMOCRACY HERE AND THOSE DEVELOPMENTS?

A. I UNDERSTAND THAT PRESIDENT PEREZ AND OTHER RANKING VENEZUELAN OFFICIALS HAVE CONDEMNED THE DEATH OF JORGE RODRIGUEZ, A SUSPECT IN THE KIDNAPPING CASE OF AN AMERICAN BUSINESSMAN, MR. NIEHOUS. VENEZUELAN GOVERNMENT POLICY IS TO RESPECT THE INTEGRITY OF THE PERSON, AND TO PERMIT CIVIL AND POLITICAL LIBERTIES. FREEDOM TO PARTICIPATE IN THE POLITICAL PROCESS IS WELL ESTABLISHED. LIMITED OFFICIAL USE
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PAGE 03 CARACA 10473 02 OF 03 271829Z

VENEZUELA IS A FUNCTIONING DEMOCRACY IN THE EYES OF THE WORLD AND I CONGRATULATE THE VENEZUELAN PEOPLE AND THEIR LEADERS ON THIS PRECIOUS HERITAGE.

12. Q. MR. PRESIDENT, WILLIAM NIEHOUS WAS ABDUCTED IN CARACAS BY TERRORISTS IN FEBRUARY, 1976. THE LAST AUTHENTICATED COMMUNICATION FROM MR. NIEHOUS WAS IN JULY, 1976. SINCE THEN, NOTHING MORE HAS BEEN HEARD FROM HIM. DO YOU THINK THAT THE VENEZUELAN GOVERNMENT HAS REALLY MADE AN ALL-OUT ATTEMPT TO SOLVE THIS TRAGIC KIDNAPPING?

A. YES. I AM SURE THAT THE VENEZUELAN GOVERNMENT IS DOING EVERYTHING WITHIN ITS POWER TO LOCATE MR. NIEHOUS. PRESIDENT PEREZ AND I DISCUSSED THIS CASE AND HE HAS ASSURED ME THAT HIS GOVERNMENT IS FOLLOWING UP EVERY LEAD VIGOROUSLY.

13. Q. MR. PRESIDENT, THE UNITED STATES GOVERNMENT HAS THREATENED TO WITHDRAW FROM THE ON-GOING LAW OF THE SEA NEGOTIATIONS, THEREBY RISKING THE CHAOS THAT WOULD RESULT FROM THE COLLAPSE OF THESE VITAL EFFORTS. VENEZUELA HAS PLAYED A KEY ROLE IN THE LAW OF THE SEA NEGOTIATIONS. HOW CAN THE UNITED STATES SO OPENLY PROTECT THE INTERESTS OF THE MULTINATIONAL CORPORATIONS WHO WISH TO UNJUSTLY EXPLOIT THE DEEP SEA-BED?

A. THE SIXTH SESSION OF THE UN LAW OF THE SEA CONFERENCE PRODUCED REAL PROGRESS ON MANY VITAL ISSUES CONCERNING INTERNATIONAL SECURITY AND NAVIGATION, DUE IN NO SMALL PART TO THE SKILLS OF AN OUTSTANDING VENEZUELAN DIPLOMAT, DR. ANDRES AGUILAR. HOWEVER, DURING THE CLOSING HOURS OF THE CONFERENCE. A NEW TEXT CONCERNING THE SYSTEM OF EXPLOITATION AND GOVERNANCE OF THE DEEP SEA-BED WAS INTRODUCED, WITHOUT ANY CONSULTATION WITH MANY INDUSTRIAL COUNTRIES. BOTH THE SUBSTANCE OF THIS TEXT, AND THE MANNER IN WHICH IT WAS INTRODUCED PROVED TOTALLY UNACCEPTABLE TO THE UNITED STATES. CONSEQUENTLY, THE UNITED STATES GOVERNMENT HAS BEEN REVIEWING CAREFULLY THE RESULTS OF THE 6TH LOS CONFERENCE. I CANNOT NOW

FORECAST THE OUTCOME OF OUR REVIEW, BUT I CAN ASSURE YOU THAT IT
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PAGE 04 CARACA 10473 02 OF 03 271829Z

IS BEING CONDUCTED WITH THE FULLEST REGARD NOT ONLY FOR THE INTERESTS
OF THE UNITED STATES BUT ALSO THOSE OF THE WORLD COMMUNITY.

14. Q. HOW WILL THE NEW US ENERGY PROGRAM AFFECT VENEZUELA?

A. VENEZUELA HAS BEEN A TRADITIONAL AND VERY RELIABLE SUPPLIER OF
PETROLEUM AND PETROLEUM PRODUCTS TO THE US, AND WE HOPE YOU WILL
CONTINUE TO PROVIDE US WITH THIS ESSENTIAL RAW MATERIAL. OUR NEW
ENERGY PROGRAM WILL NOT, AND IS NOT INTENDED TO MAKE THE U.S.
INDEPENDENT OF FOREIGN ENERGY SUPPLIES; WE WILL CONTINUE TO NEED
MASSIVE AMOUNTS OF IMPORTED PETROLEUM AND NATURAL GAS. THEREFORE,
WE GENERALLY AGREE WITH THE ANALYSIS OF YOUR OWN EXPERTS, WHO HAVE
CONCLUDED THAT OUR NEW MEASURES WILL HAVE NO ADVERSE AFFECT ON
VENEZUELA.

15. Q. DOES THE US INTEND TO PARTICIPATE IN THE DEVELOPMENT OF THE
ORINOCO HEAVY OIL BELT?

A. I AM TOLD THAT THE ORINOCO HEAVY OIL BELT, OR TAR BELT AS IT IS
OFTEN CALLED, IS ONE OF THE LARGEST KNOWN DEPOSITS OF OIL IN THE
WORLD. HOWEVER, THE PRODUCTION AND PROCESSING OF THIS OIL PRESENTS VER
Y
SPECIAL TECHNOLOGICAL PROBLEMS, SIMILAR IN MAGNITUDE
TO THOSE INVOLVED IN UTILIZING OUR OWN OIL SHALE RESOURCES. THE
DEVELOPMENT OF THE TAR BELT IS SOMETHING FOR THE VENEZUELAN GOVERNMENT

TO DECIDE. WE STAND READY TO HELP, IF OUR COOPERATION IS DESIRED. I
BELIEVE THERE ARE MANY WAYS IN WHICH OUR TWO COUNTRIES CAN COOPERATE
IN DEVELOPING THE TECHNOLOGY NECESSARY TO MAKE USE OF THESE RESOURCES
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PAGE 01 CARACA 10473 03 OF 03 271832Z
ACTION SS-15

INFO OCT-01 ARA-10 ISO-00 NSCE-00 SSO-00 PRS-01 A-01
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LIMITED OFFICIAL USE SECTION 3 OF 3 CARACAS 10473

16. Q. WE UNDERSTAND SOME US OIL COMPANIES ARE SERIOUSLY CONCERNED

ABOUT VARIOUS CLAIMS PENDING AGAINST THEM SINCE THE NATIONALIZATION OF

THEIR HOLDING HERE TWO YEARS AGO. WHAT DOES THE US GOVERNMENT INTEND TO DO ABOUT THIS QUESTION?

A. YES, THERE ARE VARIOUS UNRESOLVED CLAIMS, PRINCIPALLY RELATING TO THE TAXES PAID BY THE COMPANIES WHILE THEY WERE OPERATING IN VENEZUELA. WE ALSO UNDERSTAND THAT THESE CLAIMS ARE BEING CONSIDERED IN THE VENEZUELAN COURTS OR BY VARIOUS MINISTRIES. WE HAVE BEEN ASSURED BY THE VENEZUELAN GOVERNMENT THAT THESE COMPANIES WILL RECEIVE FAIR AND EQUITABLE TREATMENT UNDER VENEZUELAN LAW, AND I AM SURE THAT WILL BE THE CASE.

17 Q. GIVEN YOUR CRITICISM OF THE ROLE OF THE MAJOR OIL COMPANIES IN THE US, DO YOU BELIEVE THEY SHOULD CONTINUE TO OPERATE IN LATIN AMERICA AND PARTICULARLY IN VENEZUELA?

A. MY COMMENTS IN THE PAST HAVE BEEN DIRECTED AT SPECIFIC ACTIVITIES OF THESE COMPANIES IN THE US. THE MAJOR OIL COMPANIES, AS WELL AS THE LARGE MULTINATIONAL CORPORATIONS IN OTHER FIELDS, HAVE AND WILL CONTINUE TO MAKE MAJOR, BENEFICIAL CONTRIBUTIONS TO THE ECONOMIES OF THE DEVELOPED AS WELL AS DEVELOPING COUNTRIES. OF COURSE, IT IS THE RESPONSIBILITY OF EACH COUNTRY TO ESTABLISH THE RULES UNDER WHICH THESE COMPANIES SHOULD OPERATE WITHIN ITS TERRITORY
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PAGE 02 CARACA 10473 03 OF 03 271832Z

M

18. Q. TWO OF THE MAJOR OIL COMPANIES, OCCIDENTAL PETROLEUM AND EXXON, HAVE BEEN ACCUSED OF BRIBING VENEZUELAN OFFICIALS. CAN YOU COMMENT ON THIS?

A. FIRST LET ME SAY THAT THE US CONDEMNS ANY FORM OF ILLEGAL PAYMENTS OR BRIBERY, BY US FIRMS OR THOSE OF ANY OTHER COUNTRY. TURNING TO THE SPECIFIC CASES YOU MENTIONED, HOWEVER, I UNDERSTAND THAT THE CHARGES AGAINST OCCIDENTAL HAVE BEEN CLOSELY EXAMINED BY VARIOUS COURTS, BOTH IN VENEZUELA AND IN THE US, AND HAVE ALSO BEEN INVESTIGATED BY A COMMITTEE OF THE VENEZUELAN CONGRESS, AND NO EVIDENCE WAS FOUND THAT ILLEGAL PAYMENTS OR BRIBES HAD BEEN PAID TO GOVT OFFICIALS. IN THE CASE OF EXXON, I UNDERSTAND THE COMPANY MADE SMALL PAYMENTS FROM A SPECIAL ACCOUNT TO MEET PERSONAL AND FAMILY EMERGENCIES, BUT THAT NONE OF THESE PAYMENTS WENT TO GOVT OFFICIALS OR TO POLITICAL PARTIES.

19. Q. WHEN WILL THE DENIAL OF GSP BENEFITS UNDER THE TRADE ACT OF 1974 BE LIFTED?

A. VENEZUELA HAS LONG BEEN AN IMPORTANT TRADING PARTNER FOR THE US. I RECOGNIZE THAT VENEZUELA SHOULD BE INCLUDED AS A GSP BENEFICIARY COUNTRY AND CONSIDER THE CURRENT EXCLUSIONARY CLAUSE AS UNFORTUNATE. MY ADMINISTRATION SUPPORTS PROPOSALS

NOW PENDING IN THE CONGRESS THAT WOULD AMEND THE TRADE ACT OF 1974 AND MAKE VENEZUELA'S EXPORTS TO THE US ELIGIBLE FOR GSP TREATMENT. I AM HOPEFUL THAT LEGISLATION WILL BE ENACTED INTO LAW SOON, ALTHOUGH I CANNOT MAKE A SPECIFIC PREDICTION ABOUT TIMING.

20. Q. DOES THE US SUPPORT THE LATIN AMERICAN INTEGRATION MOVEMENT?

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PAGE 03 CARACA 10473 03 OF 03 271832Z

A. YES WE DO. ORGANIZATIONS LIKE THE ANDEAN PACT AND THE LATIN AMERICAN ECONOMIC SYSTEM FOSTER REGIONAL COOPERATION AND THEREBY HELP AVOID WASTEFUL DUPLICATION
HOPE TO DEVELOP MORE TIES WITH SUCH ORGANIZATIONS. AN ECONOMICALLY STRONG AND HEALTHY LATIN AMERICA IS IN THE NATIONAL INTEREST OF THE US.

21. Q. THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION WAS A DISAPPOINTMENT TO SOME BECAUSE IT DID NOT ACHIEVE ALL OF ITS GOALS. WHAT ARE THE NEXT STEPS IN THIS PROCESS?

A. WE ARE EAGER TO CONTINUE A CONSTRUCTIVE DIALOGUE, AS IS NILA. WE BELIEVE THE DIALOGUE SHOULD BE CONTINUED IN THE UN AND SPECIALIZED ORGANIZATIONS, AND HOPE CONCRETE AGREEMENTS WILL BE ACHIEVED SOON THAT WILL SATISFY THE LEGITIMATE GOALS OF THE DEVELOPING COUNTRIES. BUT THE NORTH SOUTH DIALOGUE SHOULD BE CONSIDERED AN ONGOING DIALOGUE, ONE WHICH WOULD NOT END WITH A SETTLEMENT OF TODAY'S PROBLEMS. I ENVISAGE A CONTINUING RELATIONSHIP WHICH WILL ENABLE BOTH DEVELOPED AND DEVELOPING COUNTRIES TO WORK TOGETHER ON SOLUTIONS TO PRESSING ECONOMIC PROBLEMS. THE CONTINUING EXCHANGE WOULD TAKE PLACE IN THE CONTEXT OF THE THIRD DEVELOPMENT DECADE (1980S).

22. Q. THERE ARE REPORTS THAT INTERNATIONAL COMPANIES HAVE RESORTED TO ILLEGAL PAYMENTS TO FURTHER THEIR INTERESTS. WHAT IS THE POSITION OF THE US GOVT ON THIS PRACTICE?

A. THE PROBLEM OF CORRUPT PAYMENTS IN INTERNATIONAL BUSINESS BY PRIVATE FIRMS, US OR OTHERWISE, IS A CAUSE OF GREAT CONCERN TO THE US GOVT. BESIDES BEING MORALLY REPUGNANT AND ILLEGAL IN MOST COUNTRIES, SUCH PAYMENTS ARE HARMFUL TO THE INTERESTS OF THE INTERNATIONAL BUSINESS COMMUNITY. WE ARE WORKING
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PAGE 04 CARACA 10473 03 OF 03 271832Z

ON THIS PROBLEM IN THE UN CONTEXT; THE US WILL WORK

EXPEDITIOUSLY TOWARDS A SOLUTION OF THE PROBLEM. THE US SEES NO CONFLICT BETWEEN AN AGREEMENT ON ILLICIT PAYMENTS AND THE MORE COMPREHENSIVE WORK OF THE UN IN DRAFTING A CODE OF CONDUCT FOR TRANSNATIONAL CORPORATIONS. WE SUPPORT BOTH EFFORTS, BUT DO NOT BELIEVE THAT WORK ON THE ILLICIT PAYMENTS PROBLEM SHOULD BE DELAYED SIGNIFICANTLY PENDING AGREEMENT ON THE MORE COMPREHENSIVE CODE OF CONDUCT.

23. Q VENEZUELA AND THE US TRADITIONALLY HAVE BEEN MAJOR TRADING PARTNERS. BUT VENEZUELAN GOVT LEADERS ARE BECOMING CONCERNED ABOUT THE RAPID INCREASE IN IMPORTS, ESPECIALLY FROM THE US. CAN YOU COMMENT ON CURRENT BILATERAL TRADE TRENDS?

A. TRADITIONALLY, TRADE HAS BEEN ONE OF THE STRONGEST OF THE TIES BINDING VENEZUELAN AND THE US TOGETHER. BILATERAL TRADE IS GROWING, AND I CONSIDER THIS A HEALTHY DEVELOPMENT. IN FACT, BOTH IN PERCENTAGE AND ABSOLUTE TERMS, VENEZUELA'S EXPORTS TO THE US ARE GROWING FASTER THAN VENEZUELA'S IMPORTS FROM THE US. IN OTHER WORDS, VENEZUELA HAS A SUBSTANTIAL AND GROWING TRADE SURPLUS WITH THE US.

24. Q. MULTINATIONAL CORPORATIONS RECEIVE A MIXED, OFTEN HOSTILE RECEPTION IN COUNTRIES WHERE THEY OPERATE OR ANTICIPATE OPERATING. SINCE MOST OF THESE COMPANIES ARE ESSENTIALLY AMERICAN, CAN YOU COMMENT ON THIS?

A. WHEN LARGE, DEVELOPED ECONOMIC ORGANIZATIONS OPERATE IN FOREIGN COUNTRIES DIFFERENCES ARE BOUND TO OCCUR AND THE ACTIVITIES OF THE FOREIGN CORPORATION ARE BOUND TO INFLUENCE THE LOCAL ECONOMY. THIS SHOULD BE A GOOD AND BENEFICIAL THING FOR THE HOST COUNTRY, AND I BELIEVE IT CAN BE MADE SO BY OBJECTIVE LIMITED OFFICIAL USE
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PAGE 05 CARACA 10473 03 OF 03 271832Z

AND CAREFUL COOPERATION BETWEEN THE COUNTRY AND THE CORPORATION. THE HOST COUNTRY MUST SET REASONABLE AND ATTRACTIVE CONDITIONS FOR ENTRY AND OPERATION AND ASSURE THAT THESE ARE ADHERED TO. IF THE POLITICAL AND ECONOMIC OBJECTIONS TO MULTINATIONAL CORPORATIONS CAN BE CONTROLLED, IT IS UNDENIABLE THAT THEY POSSESS MUCH OF WHAT DEVELOPING COUNTRIES NEED IN TERMS OF TECHNOLOGY, MANAGEMENT, CAPITAL AND MARKET EXPERIENCE.

25. Q. HOW DO YOU VISUALIZE THE ROLE OF AMERICAN BUSINESSMEN IN THE DEVELOPMENT OF VENEZUELA?

A. I THINK AMERICAN BUSINESSES OVERSEAS HAVE MADE A NET BENEFICIAL CONTRIBUTION AS MEDIA FOR CHANGE AND TRANSFER OF TECHNOLOGY. I BELIEVE THEY CAN MAKE A CONTRIBUTION IN THE FUTURE. VENEZUELA IS PROGRESSING RAPIDLY AND NEEDS INFORMATION AND TECHNOLOGY. WE HAVE A STORE OF EXPERIENCE WHICH COULD BE USEFUL TO YOU. WE ARE INTERESTED IN DOING WHATEVER WE CAN TO

FACILITATE COOPERATION, BE IT ON A PERSON-TO PERSON, COMPANY-
TO-COMPANY, OR GOVT-TO-GOVT BASIS.
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Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 755527
Secure: OPEN
Status: NATIVE
Subject: SUGGESTED QUESTIONS AND ANSWERS FOR PRESIDENTIAL VISIT TO VENEZUELA
TAGS: OVIP, PDIP, (CARTER, JIMMY)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/56a1c924-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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EO Systematic Review
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